



# SIDOTI MICRO-CAP CONFERENCE

May 11, 2023

*We build and service the infrastructure that enables our economy to run, our people to move, and our country to grow.*

# DISCLOSURE: Forward-Looking Statements

This presentation contains, and the officers and directors of the Company may from time to time make, statements that are considered forward-looking statements within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond our control, which may include statements about: our business strategy; our financial strategy; our industry outlook; our guidance; our expected margin growth; and our plans, objectives, expectations, forecasts, outlook and intentions. All of these types of statements, other than statements of historical fact included in this presentation, are forward-looking statements. In some cases, forward-looking statements can be identified by terminology such as "may," "will," "could," "should," "expect," "plan," "project," "intend," "anticipate," "believe," "estimate," "predict," "potential," "pursue," "target," "continue," the negative of such terms or other comparable terminology. The forward-looking statements contained in this presentation are largely based on our expectations, which reflect estimates and assumptions made by our management. These estimates and assumptions reflect our best judgment based on currently known market conditions and other factors. Although we believe such estimates and assumptions to be reasonable, they are inherently uncertain and involve a number of risks and uncertainties that are beyond our control. In addition, management's assumptions about future events may prove to be inaccurate. Management cautions all readers that the forward-looking statements contained in this presentation are not guarantees of future performance, and we cannot assure any reader that such statements will be realized or the forward-looking events and circumstances will occur. Actual results may differ materially from those anticipated or implied in the forward-looking statements due to factors listed in the "Risk Factors" section in our filings with the U.S. Securities and Exchange Commission and elsewhere in those filings. Additional factors or risks that we currently deem immaterial, that are not presently known to us or that arise in the future could also cause our actual results to differ materially from our expected results. Given these uncertainties, investors are cautioned that many of the assumptions upon which our forward-looking statements are based are likely to change after the date the forward-looking statements are made. The forward-looking statements speak only as of the date made, and we undertake no obligation to publicly update or revise any forward-looking statements for any reason, whether as a result of new information, future events or developments, changed circumstances, or otherwise, notwithstanding any changes in our assumptions, changes in business plans, actual experience or other changes. These cautionary statements qualify all forward-looking statements attributable to us or persons acting on our behalf.

This presentation may contain the financial measures: adjusted net income, EBITDA, adjusted EBITDA, and adjusted EPS, which are not calculated in accordance with U.S. GAAP. If presented, a reconciliation of the non-GAAP financial measures to the most directly comparable GAAP financial measure will be provided in the Appendix to this presentation.

# WHO is Sterling?

A market-leading infrastructure service provider of e-infrastructure, building and transportation solutions.

A story of successful execution of multi-year strategic business transformation; born of a vision that levers our entrepreneurial spirit.

We offer a customer-centric, market-focused portfolio of goods and services geographically positioned in the right markets.



## E-Infrastructure Solutions

- + Fastest growing segment in revenue growth
- + Provide value-added solutions to blue-chip customers in all major East Coast markets
- + Develop advanced, large-scale site development services for data centers, e-commerce distribution centers, manufacturing, warehousing, energy and more



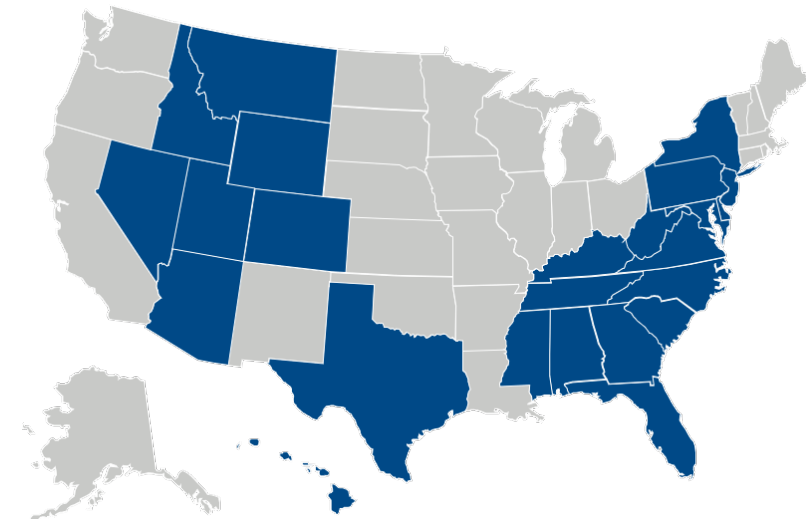
## Building Solutions

- + Serve the Nation's Top Builders in the Nation's Top Housing Markets: Texas & Arizona
- + Residential and commercial concrete foundations for single-family and multi-family homes, parking structures, elevated slabs and other concrete work



# Transportation Solutions

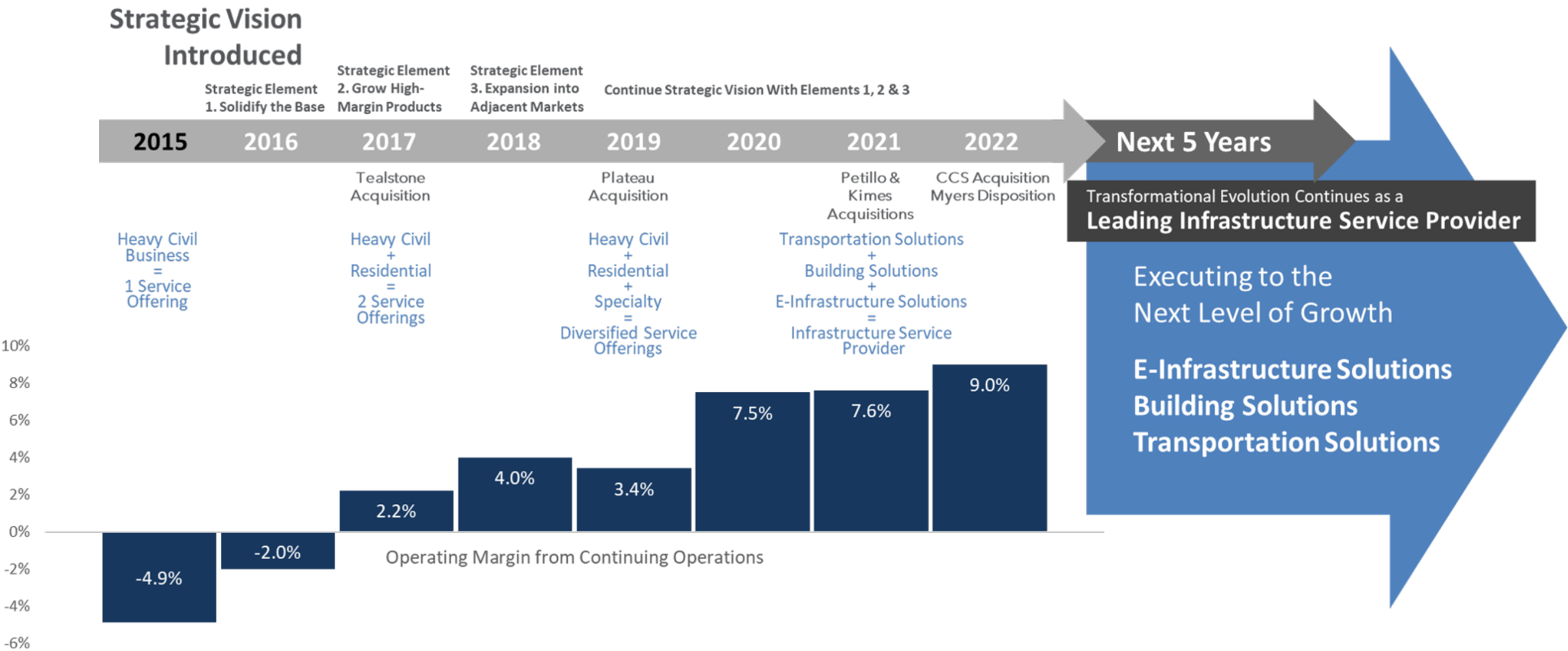
- + Enhanced business mix
- + Providing infrastructure solutions in the Rocky Mountain States and Texas
- + Infrastructure and rehabilitation projects for highways, roads, bridges, airports, ports, rail and storm drainage systems and more



NASDAQ	STRL	Shares outstanding <sup>(3)</sup>	30.8M
HQ	The Woodlands, TX	Market cap <sup>(3)</sup>	\$1,137M
Employees	~3,200 <sup>(1)</sup>	Revenue <sup>(4)</sup>	\$1.95B
Segments	E-Infrastructure Solutions Building Solutions Transportation Solutions	EBITDA <sup>(4)</sup>	\$227.5M
Projects underway	~210 <sup>(2)</sup>	Total Backlog <sup>(2)</sup>	\$1.62B

# Strategic Execution | Proven Results | Strong Growth

Strategic Elements: Solidify the Base | Grow High-Margin Products | Expansion into Adjacent Markets  
Key Objectives: Bottom-line Growth | Risk Reduction | Exceed Peer Performance







## First Quarter 2023 Results





# First Quarter 2023 Results Highlights

## Continuing Operations

- + Revenues: \$403.6 million
- + Net Income: \$19.6 million
- + Diluted EPS: \$0.64
- + EBITDA<sup>(1)</sup>: \$45.9 million
- + Cash Flow from Operations: \$49.1 million
- + Cash & Cash Equivalents<sup>(2)</sup>: \$202.6 million
- + Backlog<sup>(2)</sup>: \$1.62 billion with 14.8% margin
- + Combined Backlog<sup>(3)</sup>: \$1.75 billion with 14.6% margin

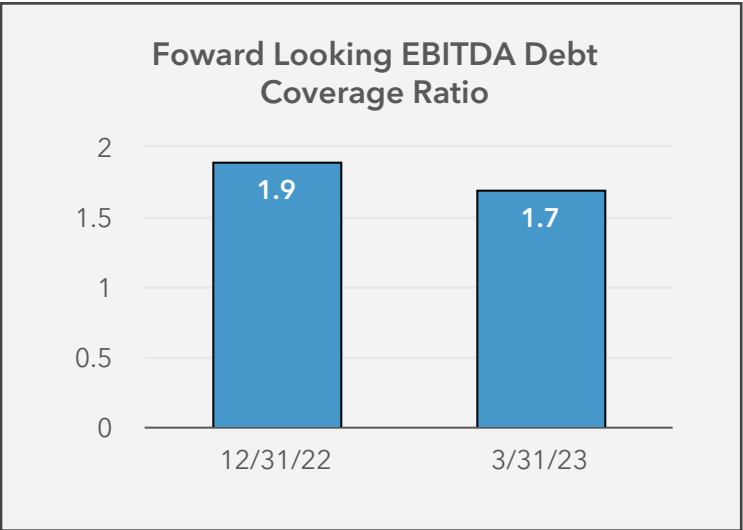
# Quarterly Consolidated and Segment Results

## Continuing Operations

(\$ in millions)	Q1 2023	Q1 2022
Revenues	\$ 403.6	\$ 366.0
Gross Profit	61.7	55.1
G&A Expense	(23.3)	(20.3)
Intangible Amortization	(3.7)	(3.6)
Acquisition Related Costs	(0.2)	(0.3)
Other Operating Expense, Net	(1.9)	(1.7)
Operating Income	32.6	29.4
Interest, Net	(5.6)	(4.6)
Income Tax Expense	(7.0)	(6.8)
Less: Net Income Attributable to NCI	(0.4)	(0.3)
Net income from Continuing Operations	\$ 19.6	\$ 17.7
Diluted EPS	\$ 0.64	\$ 0.59
EBITDA <sup>(1)</sup>	\$ 45.9	\$ 40.5

(\$ in millions)	Q1 2023	Q1 2022
<b>E-Infrastructure Solutions</b>		
Revenue	\$ 205.8	\$ 168.9
Operating Income	\$ 24.3	\$ 21.3
Operating Margin	11.8 %	12.6 %
<b>Transportation Solutions</b>		
Revenue	\$ 111.1	\$ 116.1
Operating Income	\$ 5.3	\$ 4.4
Operating Margin	4.8 %	3.8 %
<b>Building Solutions</b>		
Revenue	\$ 86.6	\$ 80.9
Operating Income	\$ 8.7	\$ 9.4
Operating Margin	10.0 %	11.6 %

# Increased EBITDA and Cash Flow Drives Liquidity Strategy



We expect to pursue strategic uses of our liquidity, such as, strategic acquisitions, investing in capital equipment and managing leverage.

**Capital allocation focus**

- Long-term shareholder value
- Complementing organic growth in existing and new markets
- Strong cash flow profile provides flexibility and drives liquidity strategy

Sterling is comfortable with a forward looking debt/ EBITDA coverage ratio of +/-2.5X.

**5-Year Credit Facility**

\$393M Term Loan Borrowings  
\$75M Revolving Credit Facility (Undrawn)

**Key Cash Flow Considerations**

	Q1 2023	Q1 2022
Cash flows from Operations	\$49.1M	\$26.6M
Net CAPEX	\$7.5M	\$14.6M
• Cash & Cash Equivalents at March 31, 2023 was \$202.6 million		
• 2023 EBITDA guidance <sup>(1)</sup> : \$220M to \$235M		
• Expected additional 2023 noncash expenses: \$31M to \$35M (Stock-based compensation, noncash interest expense, deferred taxes, etc.)		
• Scheduled term loan debt payments total \$31.9M and \$26.1M for 2023 and 2024, respectively		



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# Appendix

# 2023 Modeling Considerations<sup>(1)</sup>

Revenue	\$1,900 to \$2,000
Gross Margin	15% to 16%
G&A Expense as % of Revenue (Excluding Intangible Amortization)	~5%
Intangible Amortization	\$15
Other Operating Expense Net	\$12 to \$13
JV Non-Controlling Interest Expense	\$2 to \$3
Effective Income Tax Rate	28% to 29%
Net Income	\$104 to \$110
Diluted EPS	\$3.33 to \$3.53
Expected Dilutive Shares Outstanding	31.2
EBITDA <sup>(2)</sup>	\$220 to \$235



# 2023 Modeling Considerations Continued\*

Non-Cash Items	FY 2023 Expectations	FY 2022
Depreciation	\$40 to \$44	\$38.0
Intangible Amortization	\$15	\$14.1
Debt Issuance Cost Amortization	\$2 to \$3	\$2.2
Stock-based Compensation	\$12 to \$14	\$10.3
Deferred Taxes	\$17 to \$18	\$36.5

Other Cash Flow Items	FY 2023 Expectations	FY 2022
Interest expense, net of interest income	\$21 to \$24	\$19.7
CAPEX, net of disposals	\$55 to \$60	\$56.0



**STERLING INFRASTRUCTURE, INC. & SUBSIDIARIES**  
**EBITDA FROM CONTINUING OPERATIONS RECONCILIATION**  
(In thousands)  
(Unaudited)

	Three Months Ended March 31,	
	2023	2022
Net income from Continuing Operations	\$ 19,649	\$ 17,672
Depreciation and amortization	13,692	11,363
Interest expense, net of interest income	5,554	4,642
Income tax expense	7,033	6,778
EBITDA from Continuing Operations <sup>(1)</sup>	45,928	40,455
Acquisition related costs	190	255
Adjusted EBITDA from Continuing Operations <sup>(2)</sup>	<u>\$ 46,118</u>	<u>\$ 40,710</u>



**STERLING INFRASTRUCTURE, INC. & SUBSIDIARIES**  
**EBITDA GUIDANCE RECONCILIATION**  
(In millions)  
(Unaudited)

	Full Year 2023 Guidance	
	Low	High
Net income attributable to Sterling common stockholders	\$ 104	\$ 110
Depreciation and amortization	55	59
Interest expense, net of interest income	21	24
Income tax expense	40	42
EBITDA <sup>(1)</sup>	<u>\$ 220</u>	<u>\$ 235</u>





# THANK YOU

*We build and service the infrastructure that enables our economy to run, our people to move, and our country to grow.*